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Authors: Swedzinski and others

Subject: Extend working family tax credit to on-reservation earnings

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Extends the working family tax credit to on-reservation earnings of enrolled tribal members who live and earn income on their tribe's reservation. Current law limits requires the credit to be apportioned based on the ratio of income taxable by Minnesota to total income. Federal law pre-empts state taxation of on-reservation earnings of enrolled tribal members, so the apportionment requirement in current law has the effect of disallowing the state working family credit for enrolled tribal members on live and work on-reservation. Effective date: tax year 2017.

The author's amendment (A1) is technical. Laws 2017, chapter 1 (federal conformity), amended the section of statute being amended by this bill, and made a substantive change to the working family credit phaseout for married joint filers. The bill as introduced re-stated the phaseout amounts to reflect what was current law at the time the bill was drafted. The amendment re-draws the bill to Minnesota Statutes, section 290.0671, subdivision 1, as amended by Laws 2017, chapter 1, and does not propose to change the credit phaseout for married joint filers as modified by Laws 2017, chapter 1.